

October 26, 2021 Council Meeting

The regular meeting of the Council of the City of Martinsville, Virginia was held on October 26, 2021 in Council Chambers, Municipal Building, at 7:00 PM with Mayor Kathy Lawson presiding. Other Council Members present included Danny Turner, Jennifer Bowles, Chad Martin and Tammy Pearson. Staff present included City Manager Leon Towarnicki, Assistant City Manager/City Attorney Eric Monday, Clerk of Council Karen Roberts, Community Development Director Mark McCaskill, Finance Director Linda Conover, Assistant Finance Director Mandy McGhee, and Deputy Police Chief Rob Fincher.

Mayor Lawson called the meeting to order and advised Council would go into Closed Session beginning at 6:30 PM. In accordance with section 2.1-344 (A) Code of Virginia (1950, and as amended) and upon a motion by Council Member Turner, seconded by Council Member Pearson with the following 3-0 recorded vote: Mayor Lawson, aye; Council Member Pearson, aye; and Council Member Turner, aye. Vice Mayor Bowles arrived during Closed Session. Council convened in Closed Session to discuss the following matters: (A) Consultation with legal counsel and briefings by staff members, attorneys or consultant pertaining to actual or probable litigation, or other specific legal matters requiring the provision of legal advice by such counsel, as authorized by Subsection 7 specifically related to reversion, the cable franchise, animal regulations, parking lot leases and the opioid settlement. At the conclusion of Closed Session, each returning member of Council certified that (1) only public business matters exempt from open meeting requirements were discussed in said Closed Session; and (2) only those business matters identified in the motion convening the Closed Session were heard, discussed, or considered during the meeting. A motion was made by Council Member Turner; seconded by Vice Mayor Bowles with the following 5-0 recorded vote in favor to return to Open Session: Council Member Turner, aye; Mayor Lawson, aye; Council Member Pearson, aye; Vice Mayor Bowles, aye; and Council Member Martin, abstained. Council Member Martin did not attend Closed session but was present for the Council meeting.

Following the Pledge to the American Flag and invocation by Council Member Martin, Mayor Lawson welcomed everyone to the meeting.

Approve minutes from the September 28, 2021 Council Meeting – Vice Mayor Bowles made a motion to approve the minutes as corrected by request of Mayor Lawson. Council Member Turner seconded the motion with all present Council Members voting in favor.

Conduct a public hearing regarding the Voluntary Settlement Agreement between the City of Martinsville and the County of Henry – Attorney Stephen Piepgrass of Troutman and Pepper, participated by zoom to summarize the Voluntary Settlement Agreement details. Piepgrass shared background of the steps taken so far in the reversion process and a brief description of what to expect with the reversion and how it will affect City departments. Piepgrass referenced the Commission on Local Government report including the Commission's recommendations, findings and supplemental recommendations. Mayor Lawson opened the public hearing, advising speakers to adhere to a 3-minute time limit. Anyone wishing to speak

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was asked to sign-in prior to the meeting.

Zeb Talley, 315 Jeb Stuart Road in Henry County – an educator for 44-years, Talley shared student accolades and achievements including school accreditation details. Talley stated it's not about the money, the students are always his goal. The school-to-prison pipeline is real. Talley explained that Martinsville City schools were 79% minority and 72% economically disadvantaged, however the schools have received state exemplary awards and the graduation rate is higher than any other surrounding district with the exception of Patrick County. Martinsville schools have earned numerous educational awards. The Robotics team which finished 20th in the world and the senior workforce preparedness training are assets to the school. The decision to revert should include the voice of both school divisions. Talley quoted Representative John Lewis, Late Prophet James Brown, and Martin Luther King, Jr. in his closing statement.

Rev. J.C. Richardson, 115 Melody Court in Martinsville – shared a lesson he had learned as a pastor, stating “it's never enough for a Christian to do the right thing, it must also be done the right way”. Richardson said the method chosen by Council to pursue reversion was felt by many to be “not the right way, it's was way too exclusive and way too private”. That's troubling because this one decision impacts every Martinsville and Henry County resident. It is ironic and worth mentioning that the Council Member with the least amount of experience serving is the only one who felt it necessary to pursue a more inclusive and transparent approach to this issue. Richardson feels that the citizens have been left out of this process. As an African-American male who has been distressed for years at the disproportionate number of young men incarcerated, Richardson was excited to hear that the Martinsville City school system had an increase in graduation rates and a corresponding decrease in suspensions and expulsions. It is less expensive to educate a person for a year then to incarcerate them for a year. An educated person becomes productive tax paying citizen.

Greg Hackenberg, 618 Mulberry Road in Martinsville – Hackenberg is an educator and coach in Martinsville City schools and hopes that everyone is fighting the hardest they can for the children's future. Hackenberg stated that Martinsville has the best students, the best education, the best coaches and the robotics team which is recognized on a state and national global level. His children attend Clearview Early Childhood Center which has been a wonderful experience for them both; he's seen much growth in both children from attending Clearview. Studies show that early education is incredibly important and has the biggest impact on children from minority households, underserved neighborhoods and English-language learner families. It's to the children's advantage to continue with smaller classrooms. As an educator for 14-years and a Christian, he speaks for the kids who need a voice.

Leroy Hairston, 109 Terry Street in Martinsville – Hairston said he had mixed emotions about what will take place with reversion and how it will affect the school system. Whatever

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decision the City Council makes, they'll have to live with themselves. Hairston asked Council Members to search their hearts and make the right decision for all, not just for some and to consider how their decision will impact the next City Council election. Residents will look at Council Members and determine whether to reelect them depending on the decisions they make regarding reversion. Council should let their conscious be their guide.

Brian Gravely, 1005 Mountain Road in Martinsville – Gravely expressed concern about the already over-populated classes in Henry County schools with more than 25 more students in the classrooms than Martinsville. He asked Council to consider a 5-year plan to allow students and the schools to adjust to the reversion and combining of the schools. The distance the City students will be required to travel is considerably farther to attend the County schools. Martinsville schools are mostly minority students; when you move a student from a classroom of 15-students to a classroom with 30-students then that could potentially decrease the opportunity to learn and increase the crime rate and drop-out percentages. Gravely feels that leaving the City schools open another 5 years could allow more opportunities for the students.

Rev. Tyler Millner, 631 Holland Circle – Millner asked who had officially requested the Harvest Foundation to do the reversion studies related to the consolidation of the schools and what all was included in those studies. City Manager Towarnicki explained that the study was at the request of the Joint Committee as part of the Voluntary Settlement Agreement and would most likely be handled by an independent third-party. City Attorney Monday said the study will be requested jointly from the Harvest Foundation by both the City and the County. If the Harvest Foundation is unable to fund the study, then a request will be made to the General Assembly. There will be funding available either way for this study per Monday. The study will include a comprehensive look at all physical facilities in both the City and the County except the facilities that will be transferred to the City for other uses, and the most efficient use of those facilities. The study will take a comprehensive look at the current curriculum for the City and the County and make recommendations to what the best curriculum will be for the new school system. Monday explained there will also be a specific inclusion of racial and equity issues in both communities so that the consolidated system will have recommendations made to the most racially and income equitable operation of the combined system. The Department of Education and the Board of Education will be asked to participate in the study as well. Existing personnel from both systems will be included in the study. Millner questioned the legality of the Voluntary Settlement Agreement. Mayor Lawson explained that the three-judge panel would determine what was legal or not. City Attorney Monday explained that the panel would not specifically address that concern unless the issues is raised however both the County and the City's legal councils have concluded that the VSA is legal. Anyone with concerns to the legality of the agreement may file necessary documents with the 3-judge court and the court would act upon that accordingly. Mayor Lawson pointed

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out to Millner that there is nothing stated in the Voluntary Settle Agreement about Martinsville High School being closed. There are a lot of misconceptions and rumors circulating throughout the community. Millner asked who would participate in the consolidation of the two schools. Lawson explained that representatives appointed by the Martinsville City and Henry County school systems would participate as Mrs. Schrader testified when she spoke before the Commission of Local Government, recommending teacher, student, and parent committees.

Pastor Douglas Bynum of Mount Zion AME at 304 Fayette Street – questioned the reason why Martinsville could not have more than one seat on the board and the redrawing of districts. Mayor Lawson explained that it was the recommendation of Local Government to allow more than one seat. Monday explained that was not guaranteed, but the statement was that there would be “at least one seat” so that does not mean there won’t be other available seats to represent Martinsville. If the VSA was modified to guarantee at least two seats on the boards, then that would potentially provide Martinsville with more guaranteed representation on the Henry County School Board and the Henry Board of Supervisors then our current population entitles us to. Council Member Turner clarified fair representation as it relates to the current City population.

With no one else approaching the podium, Mayor Lawson closed the public hearing at 7:53pm. Council Member Martin confirmed if citizens visit the city website, they can find a list of “myths” with a better explanation of what reversion means. No action was required by Council related to the public hearing.

Mayor Lawson recessed for five minutes while those in attendance for the public hearing were allowed to leave the room without interruption.

Consider adoption of a resolution approving the City’s participation in a federal litigation settlement with certain pharmaceutical companies related to the opioid epidemic – City Attorney Monday summarized the need for the resolution and provided background on the significant health crises caused by opioids in the community and nationwide. This boils down to one giant lawsuit, a multi-district litigation with thousands of cases which has wound up in Federal Court in Ohio where they are being administered by that federal court. Martinsville has a local lawsuit against opioid manufacturers, distributors and insurers pending in our Martinsville circuit courts. Martinsville is the only locality left in Virginia that still has a local pending case, others have been pulled to Ohio. Council had decided previously to go with a local Virginia lawsuit and would forgo a lawsuit against those organizations that do not have a corporate presence in Virginia, that is what has made it possible to keep the local case alive. As the multidistrict litigations proceeded in Ohio, Virginia has come up with a settlement fund which would allow Martinsville to receive payouts from the Ohio litigation as well. This approval is what Monday expects to be the first of many settlements. Vice Mayor Bowles made a motion to adopt the resolution approving the City’s participation in a federal litigation

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settlement. Council Member Martin seconded the motion with the following roll-call vote:

Council Member Martin, aye; Council Member Turner, aye; Mayor Lawson, aye; Council Member Pearson, aye and- Vice Mayor Bowles, aye.



RESOLUTION

APPROVING OF THE CITY'S PARTICIPATION IN THE PROPOSED SETTLEMENT OF OPIOID-RELATED CLAIMS AGAINST MCKESSON, CARDINAL HEALTH, AMERISOURCEBERGEN, JANSSEN, AND THEIR RELATED CORPORATE ENTITIES, AND DIRECTING THE CITY ATTORNEY AND/OR THE CITY'S OUTSIDE COUNSEL TO EXECUTE THE DOCUMENTS NECESSARY TO EFFECTUATE THE CITY'S PARTICIPATION IN THE SETTLEMENTS

WHEREAS, the opioid epidemic that has cost thousands of human lives across the country also impacts the City of Martinsville by adversely impacting the delivery of emergency medical, law enforcement, criminal justice, mental health and substance abuse services, and other services by the City's various departments and agencies; and

WHEREAS, the City of Martinsville has been required and will continue to be required to allocate substantial taxpayer dollars, resources, staff energy and time to address the damage the opioid epidemic has caused and continues to cause the citizens of Martinsville; and

WHEREAS, the City of Martinsville has filed suit against McKesson, Cardinal Health, AmerisourceBergen, and Janssen Pharmaceuticals, along with certain of their related corporate entities for their role in the distribution, manufacture, and sale of the pharmaceutical opioid products that have fueled the opioid epidemic that has harmed Martinsville; and

WHEREAS, The City's suit seeks recovery of the public funds previously expended and to be expended in the future to abate the consequences and harms of the opioid epidemic; and

WHEREAS, settlement proposals have been negotiated that will cause McKesson, Cardinal Health, AmerisourceBergen, and Janssen to pay up to \$26 billion nationwide to resolve opioid-related claims against them; and

WHEREAS, the City of Martinsville's outside opioid litigation counsel has recommended that the City participate in the settlements in order to recover its share of the funds that the settlement would provide; and

WHEREAS, the City Attorney has reviewed the available information about the proposed settlements and concurs with the recommendation of outside counsel;

NOW THEREFORE BE IT RESOLVED that the City Council of Martinsville, this 26th day of October, 2021, approves of the City's participation in the proposed settlement of opioid-related claims against McKesson, Cardinal Health, AmerisourceBergen, Janssen, and their related

corporate entities, and directs the City Attorney and/or the City's outside counsel to execute the documents necessary to effectuate the City's participation in the settlements, including the required release of claims against settling entities.

Attest:

Karen Roberts, Clerk of Council

Consider approval of the Pine Hall Road Community Development Block Grant Housing Rehabilitation Project Program Design – Project Administrator Brandy Dudley participated by Zoom. Mark McCaskill, Community Development Director summarized the need for the approval to help wrap up the project approval. Mayor Lawson questioned the extent of the paperwork required this time around, stating that she feels that it's a good guideline for accountability. Vice Mayor Bowles and Council Member Pearson echoed the Mayor's comments. Council Member Turner recommended that Council routinely evaluate the Pine Hall project to ensure that it is going forward as anticipated. Vice Mayor Bowles made a motion to approve the project program design. Council Member Pearson seconded the motion with all Council Members voting in favor.



Date: October 21, 2021
To: Leon Towarnicki
From: Mark McCaskill, Community Development Director
RE: Pine Hall Grant related City Council action for October 26, 2021 City Council meeting.

SUBJECT:

Contracting period with Virginia Department of Housing and Community Development (DHCD) for the City of Martinsville's Pine Hall Housing Rehabilitation Project.

BACKGROUND:

The City of Martinsville was recently awarded \$1,183,310 in DHCD Funds to be matched by private and local funds (primarily in-kind) of \$496,425 for a total project cost of \$1,679,735 for the Pine Hall Housing Rehabilitation Project. We are currently in the contracting period with DHCD to develop a final contract that complies with DHCD and Federal Housing and Urban Development (HUD) regulations. We anticipate a final contract by mid-November. As a part of the contracting period, City Council will need to approve various Policies and Certifications, one of which included as attachments to this staff report.

NEXT STEPS:

There is one item included for discussion and action at the 10-26-21 City Council Meeting:

- *Pine Hall Housing Rehabilitation Project CIG #21-21-13 Program Design* – The Program Design

Department of Community Development, 55 W. Church Street Martinsville VA 24112, 276-403-5156

STAFF RECOMMENDATION:

Staff respectively recommends that City Council vote to adopt the attached Program Design document which includes adopting the following:

- The core Program Design (Pages 1 – 29);
- Members and Bylaws of the Housing Rehabilitation Oversight Board (Pages 30 - 33);
- The Program Income Plan (Pages 34-36); and,
- The Project Management Plan (Pages 38-45).

Attachment:

**PINE HALL HOUSING REHABILITATION PROJECT
CIG #21-21-13 PRELIMINARY HOUSING REHABILITATION
PROGRAM DESIGN**

Department of Community Development, 55 W. Church Street Martinsville VA 24112, 276-403-5156

Hear an update on 2021 vehicle value assessments as reflected in personal property bills that were just sent to Martinsville taxpayers – Commissioner of Revenue Ruth Easley explained the increase in personal property in relation to vehicle values. From January 2020 to January 2021, new car prices increased 6% and used car prices increased 14% with used car prices increasing 10% just during the summer of 2020. Historically used car prices tend to depreciate in value. The auto industry was impacted by the pandemic, causing a shut-down mode of car production, thus creating a shortage of available vehicles. Large fleet companies such as rental car companies did not replace their vehicles as usual. This combination created a lower supply of vehicles and a higher demand for new and used vehicles. Analysts are expecting a 6% reduction by the end of the year but not enough to make up for the increase back in the spring. Residents are taxed on any vehicles that they own as of January 1. The values of the vehicles went up and the reimbursement rates from the commonwealth went down.

Hear a summary of the City's quarterly finance report for the period ending September 30, 2021 – Assistant Finance Director Mandy McGhee summarized the finance report. Vice Mayor Bowles made a motion to approve the financial report. Council Member Martin seconded the motion with all Council Members voting in favor.

Consider approval of Consent Agenda – Vice Mayor Bowles made a motion to approve the consent agenda as presented; Council Member Turner seconded the motion with all Council Members voting in favor.

Business from the Floor – none

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Comments by City Council – Council Member Pearson thanked residents for attending and speaking during the public hearing. Her primary concern has and continues to be the City Council refusing to obtain public input and feedback; her concern is not against any single Council Member or staff member. Pearson referenced the implications brought forward by Clerk of Council Ashby Pritchett. Pearson said she voted for the Memorandum of Understanding but once she further researched the reversion process, she is against the Voluntary Settlement Agreement. The VSA can be changed and it is her understanding that Council has 180 days from the date the report came out to adjust that. Pearson asked that Council move back the second reading of the VSA ordinance to April or May 2022 to allow time to get additional feedback from the community. Pearson made a motion to delay the second reading of the Voluntary Settlement Agreement from November 9 to March or April 2022. Motion died for lack of second. Council Member Martin had no comments. Council Member Turner stated that this weekend is Halloween and race weekend. Turner asked residents to be mindful of visitors to the community. A Veteran's Day event will be held on November 11 at 11:00am at the Historical Bassett High School where the Veteran of the Year and officer Jonathan Bowling will be recognized. Vice Mayor Bowles traveled to the Virginia Municipal League meeting; she said it was an exciting experience and she met a lot of new people. One session was about social media and public relations. Bowles was able to share some of the information she learned with the City Manager. Bowles congratulated new Martinsville businesses. Bowles encouraged residents to reach out to Council Members with any concerns. Mayor Lawson shared a VML recap about the opening session, the VML Innovation Awards given out and the discussion of ARPA funds. Lawson shared that Martinsville will be investigating the installation of electric vehicle chargers after a discussion at VML. Lawson said the VML meeting was very good this year. She shared information about the new emergency mental health crisis 9-8-8 hotline. Lawson shared how the high school fall baseball league at Hooker Field recognized breast cancer month. Council Member Turner mentioned that Lou Whitaker was in town with a camera crew, sharing that Whitaker's number will be retired at the high school. Mayor Lawson passed out a copy to Council Members regarding reversion misconceptions and the opportunity to hold sessions to educate citizens and answer any questions. There will be different sessions for different topics. Lawson stated that several proclamations were presented over the past few weeks.

Comments by the Assistant City Manager/City Attorney – Towarnicki explained that the agenda for the November 4 Council meeting will go out on Monday. Election Day is Tuesday November 2 so the City Municipal Building offices will be closed with the exception of the Registrar's office. Early voting is available with a valid ID. Towarnicki explained that the Five Points project on West Church Street is finally moving forward; briefly explaining that the first homes are scheduled to set on November 8 through November 10 and it should take 45-60 days for construction completion, weather permitting. Interested persons should contact Leon or Lisa Frick for details on the Five Points project homes. More houses are in the works with the

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possibility of townhouses across the street. The prices did increase from the original plan because of the increase in building materials. Towarnicki shared information received from Nancy Bell regarding a new program kickoff; Kathleen Jabs, Virginia's Acting Secretary of Veterans and Defense Affairs will be visiting the local Health Department on Friday from 10:00-11:30am for the purpose of observing a new program being offered to local veterans. Martinsville/Henry Council Department of Health will be the first in the Commonwealth to offer this program for veterans who currently have to travel to Salem for services. Towarnicki said that there was a bad storm Monday night and that the siren warning systems did go off in the City. These alarms are activated by the National Weather Service out of Blacksburg. The system is tested the first Wednesday of each month. Towarnicki advised if citizens hear the sirens to take cover immediately. City Attorney Monday advised that in the City of Martinsville, Halloween will be observed on Sunday October 31 and trick-or-treating would end by 9:00pm per the City ordinance.

There being no further business, Vice Mayor Bowles made a motion to adjourn the meeting; the motion was seconded by Council Member Turner with all Council Members voting in favor. The meeting adjourned at 9:00pm.

Karen Roberts, Clerk of Council

Kathy Lawson, Mayor